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NPTA MANAGEMENT NEWS DECEMBER 1985

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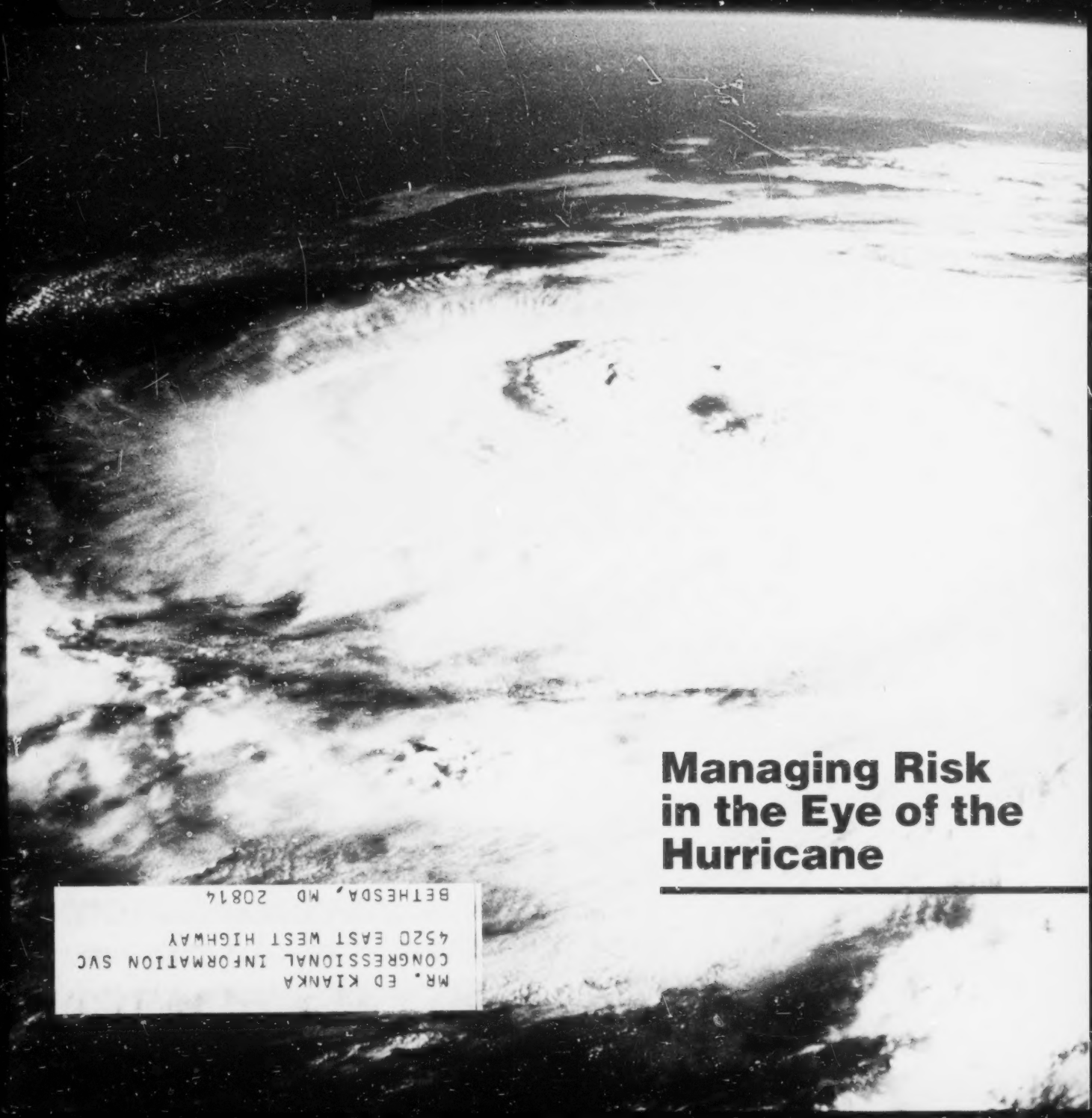

Managing Risk in the Eye of the Hurricane

MR. ED KIANKA
CONGRESSIONAL INFORMATION SVC
4520 EAST WEST HIGHWAY
BETHESDA, MD 20814

NATIONALREGIONALITY

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SOUTHERN PAPER COMPANY
ZELLERBACH PAPER COMPANY

INDUSTRIAL BUSINESS UNIT

ZELLERBACH PAPER COMPANY
AGRICULTURAL SALES GROUP
ZELLPACK PACKAGING GROUP

MN
NPTA MANAGEMENT NEWS

VOL. XXVI/NO. 12

Published by
National Paper Trade Association, inc.

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NPTA Management News (ISSN 0379-2234) is published monthly by the National Paper Trade Association, inc., at a subscription rate of $25 per year. Second-class postage pending at Great Neck, NY, and additional mailing office POSTMASTER: Send address changes to *NPTA Management News*, 111 Great Neck Road, Great Neck, NY 11021; 516-829-3070.
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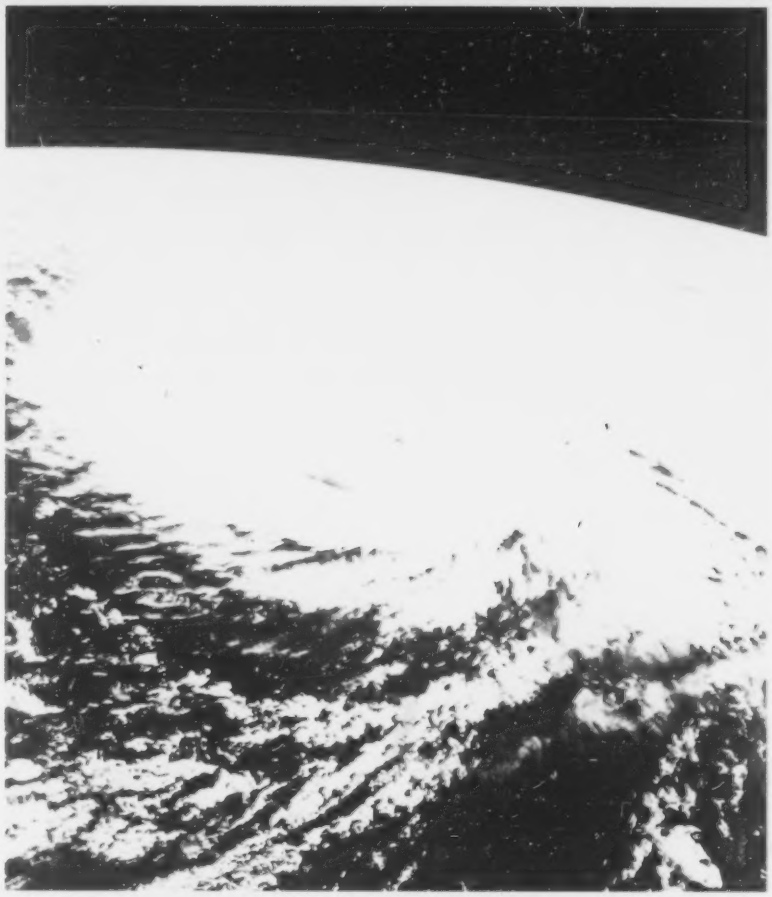

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Cover Photo: National Aeronautics and Space Administration

NPTA WELCOMES 10 NEW MEMBERS

It was with great pleasure that NPTA president John J. Buckley, Jr. welcomed 10 companies to the membership.

American Fine Paper
103 W. College Avenue
Suite 1103
Appleton, WI 54913
established: 1981
type: printing
location: 1

Carolina Retail Packaging, Inc.
711 E. Main Street
Lexington, SC 29072
established: 1973
type: industrial
location: 1

North Georgia Paper & Specialty
1507 East Main Street
Blue Ridge, GA 30513
established: 1984
type: industrial
location: 1

Packaging & Handling Supplies Company
3030 Springboro Road
Dayton, OH 45439
established: 1970
type: industrial
locations: 2

Paper Mart
5858 Corvette Street
Los Angeles, CA 90040
established: 1920
type: industrial
location: 1

Peninsula Paper Company
1991 Hartog Drive
San Jose, CA 95131
established: 1927
type: industrial
location: 1

River House Distributors
RD#1 West River Road North
Fulton, NY 13069
estabished: 1980
type: dual
location: 1

Service Paper Company
3324 Avenue S.W.
Renton, WA 98055
established: 1937
type: industrial
location: 1

Steen-Macek Paper Company
3225 Market Street
Green Bay, WI 54307
established: 1936
type: dual
location: 1

Valiant Paper & Packaging Co., Inc.
75 Knickerbocker Road
Moonachie, NJ 07074
*established:*1980
type: industrial
location: 1

BUTLER PAPER OPENING NEW WISCONSIN OFFICE

The ground has been broken for Butler's new sales office and warehouse in Madison WI. The facility is the second Butler has announced in the last 12 months, having recently completed a sales and distribution center in Milwaukee.

The new Butler warehouse, to be built in Albrecht Industrial Park, is part of the company's move to better serve what it considers to be a strong, growing community. The new 17,000 square-foot facility is expected to cost approximately $500,000 and be completed by January 31, 1986.

THE DOWD COMPANY REDEEMS OWNERSHIP

The Dowd Company, Inc., of Woburn, MA, announced that it has redeemed the ownership interest of Robert J. Dowd and the Dowd family. Mr. Dowd has retired to Florida.

Robert Dowd had been chairman of the board since 1974, having joined the company in 1942. The Dowd Company was founded in 1919 by Mr. Dowd's father, the late Harry J. Dowd.

LINDENMEYR PAPER CREATES MARKETING ORGANIZATION

Lindenmeyr Paper Corporation's president, Leonard B. Schlosser, announced the creation of a new marketing organization: Lindenmeyr Central. It is designed to specialize in the supply of paper to the magazine publishing, catalog and related volume publishing industries.

Lindenmeyr Paper Corporation is a wholly owned subsidiary of Central National-Gottesman Inc., a 100-year-old firm with an annual paper and pulp sales in excess of $1 billion.

During the announcement, Mr. Schlosser noted that the magazine, catalog and publication insert industries represented high growth areas. Schlosser also said that the type of paper required

for these industries was one of Lindenmeyr's stronger products.

The new organization will function as an autonomous unit with its own facilities at 100 Park Avenue, Manhattan under the direction of Alan W. Kavasch, senior vice president of Lindenmeyr.

ZELLERBACH SELLS OFFICE PRODUCTS UNIT

The Office Products Business Unit of the Zellerbach Paper Group will complete the consolidation it began a year ago, with a new parent company.

Andlinger & Co., an investment banking and management firm, bought the Office Products Unit which consists of Stationer's Distributing Company and Zellerbach Office Products. The two organizations have a combined sales volume of $250 million and employ approximately 1,000 people.

The consolidation of the two entities should be completed in 1986 with no changes in management or operating policies. In fact, Stationer's Distributing Company's headquarters will remain in Fort Worth, TX, with Richard Baker as president.

"When we made the decision to focus on our printing paper and industrial distribution activities," said Frederick J. Stabbert, president of the Zellerbach Paper Group and senior vice president of Crown Zellerbach, "we wanted to conclude a sale of the office products business that would be in the best interests of all concerned."

UNITED GROUP PLANS CONFERENCE

The third Annual Member/Supplier Conference of the United Group will be held at the Boca Raton Club in Boca Raton, FL, from February 16-19, 1986.

The conference should help members: develop closer relationships between themselves and the group's preferred sources of supply, outline to attendees. The United Group's 1986 marketing programs and the sharing of marketing successes among member companies.

Recently, the Group's new Preferred Account Program was announced by president of the United Group James R. Gardner at the National Paper Trade Association Convention in New York.

GUMMED INDUSTRIES INSTALLS NEW OFFICERS

Herbert B. Adelman was recently re-elected president of The Gummed Industries Association, Inc at the association's annual meeting. Jack W. Holland was elected vice president of the association.

Mr. Adelman is president of The Crowell Corporation; Mr. Holland is president of Holland Manufacturing. Also, Rod DeSpirito, president of Tape, Inc., was elected to the board of directors.

The association, which represents leading manufacturers of gummed sealing tape and corrugators box tape, component materials and machinery and equipment for sealing, also provides industry information to its members. At this meeting, the association provided lectures on topics such as labor negotiations and collective bargaining.

CORDAGE PAPERS LAUNCHES GRAPHIC ARTS COMPETITION

Cordage Papers of Cleveland (part of The Cincinnati Cordage and Paper Company) has announced a six-month competition for area graphic arts professionals. The special event has been named *The First Northeast Ohio Cordage Papers Specifier Competition*. Winners in three categories will choose from seven day vacations for two in either the Caribbean or Hawaii.

Raymond E. Weaver, Cordage Papers of Cleveland president, explained that the purposes of the competition are "to reaffirm the importance of paper selection as a principle contributor to print media effectiveness," and "to emphasize the key role that designers and purchasers must play in paper specification."

Eligible entries will consist of individual pieces printed on stock from Cordage

PAPER DISTRIBUTION INDUSTRY BEST SELLERS

Rank	Publication	Last Month
1	Industrial Paper Merchant Sales Compensation. *NPTA*. $40	10
2	Practical Handbook of Distribution/Customer Service. *Blanding*. $40	1
3	Wholesaler Inventory Control. *VanDeMark*. $23.60	—
4	Merchandising To Maximize Your Margins. *VanDeMark*. $21.60	—
5	Measuring Customer and Product Line Profitability. *Mullins*. $35	3
6	Branching and Market Coverage. *Healy*. $35	2
7	What Really Helps (or Hurts) Your Company's Bottom Line. *Tape and Guide*. $50	6
8	Strategic Planning: A Fitness Program For Distributors. *Norris, Garrett, Samek*. $35	7
9	Automated Inventory Management. *Graham*. $35	9
10	Increasing Profits Through Better Marketing. *Healy*. $35	4

ALL PUBLICATIONS ARE AVAILABLE FROM NPTA

Papers of Cleveland between November 1, 1985 and April 30, 1986. Three diverse categories will allow for corporate communications, product promotions and short run items such as announcements, letterheads and the like. Judging will be based on general creativity (50%), appropriate and effective use of paper (25%), and print/production quality (25%). A non-local panel of judges will represent the graphic arts, paper, and printing industries.

PCA ACQUIRES A & E PLASTICS

The Packaging Corporation of America(PCA) has continued expanding its presence in food packaging and food service with its latest acquisition, A & E Plastics, Inc. A & E, a leading manufacturer of disposable plastic containers for the food industry, complements PCA's product lines.

"A & E Plastics represents an exciting addition to PCA," Packaging Corporation of America president and CEO, Monte R. Haymon said. "A & E is well positioned for future growth as a result of its nationwide distribution system and its high quality product line.".

API/NFPA RATED BEST INDUSTRY LOBBYISTS

When the American Paper Institute/ National Forest Products Association talks, Washington policy-makers listen. According to the magazine, *The Environmental Forum*, as reported in the *Paper Trade Journal*, the API/NFPA is the most influential industry group "in determining the course of federal environmental programs."

Washington's top, environmental policy professionals—from the Environmental Protection Agency, the Executive Office and Congress—responded to *The Environmental Forum's* questionnaire, giving the API/NFPA its "Triple-A" rating. The Forum's questionnaire asked policy-makers which industry environmental organizations were the "most influential, most effective, most respected and most credible in helping establish meaningful environmental programs at the federal level."

The Environmental Forum's editor, Bud Ward said API/NFPA's high rating could be attributed to several factors. "It represents what is perceived as a relatively clean industry," Ward said. Also, the lobby group has a reputation as a politically astute organization among federal policy-makers.

KIRK OPENS NEW DOWNTOWN LA STORE

Kirk Paper Company, Inc. will open a new store in Downtown Los Angeles at 1611 E. 15th St. Monday, November 4th.

Kirk, with both a commercial and stores division, has been serving this market area for the past 38 years. In addition to the large assortment of paper and graphic arts supplies, the new 32,000 square foot store will contain its own cutting department, featuring a 35-inch Programmable Guillotine Cutter.

PAPER ENTERPRISES TAKES MACY'S OUT TO LUNCH

Creative, innovative merchandising is the lifeblood of distributors. Paper Enterprises/Elaine Products, a leading supplier of creative packaging, quality paper goods and restaurant equipment/ supplies in New York showed Macy's just how much a paper distributor can offer.

The world's largest department store needed a disposable picnic basket for a

STANLEY PAPER RELOCATES

Formerly located in the Van Nuys, CA section of Los Angeles, the Stanley Paper Company has relocated its operation to the city of Vernon, CA.

All of the company's divisions will now be housed under one roof in the newly renovated 75,000 square-foot high-cube facility. This will be the first time that Stanley Paper Company and its divisions—Wright Container, Donill Die Cutting, and the Contract Tape Division—will operate together. Offices are located on the second floor of the facility.

Stanley Paper Company, founded in 1967, is now located at 3130 Leonis Boulevard, Los Angeles, CA 90058.

special promotion run by its popular Marketplace carry-out food emporium. The disposable box had to be strong enough to hold several pounds of food and implements, yet handsome enough to convey Macy's quality image. The picnic basket also had to be flexible enough to hold six different thematic lunches for two.

According to president of Paper Enterprises Herb Sedler, when Macy's approached the recently formed joint company with the project, Paper/Elaine viewed it as a chance to demonstrate one of the company's strengths. The result, a corrugated disposable wicker hamper which holds a small picnic table, disposable cutlery, napkins and plates plus the food, speaks for itself.

The Macy's Picnic was a highly popular and successful summer item. "Our design worked well enough for Macy's that they've asked us to start work on a new lunch basket promotion," Herb Sedler said.

PEOPLE IN THE NEWS

Paul Crilly has been named vice president and general manager of Butler Paper's Los Angeles division. **John Wachs** has been appointed vice president and general manager of the company's Dallas division. **John Schulz** has been named vice president and general manager of Butler's Indianapolis division. **Bill Whittle** has been appointed vice president and general manager of Butler's Tyler, TX division.

Michael Berman was appointed vice president, general sales manager of the Willmann Paper Co.

John Reid Hickman was appointed vice president, finance of the West Coast Paper Company.

Thomas J. Weisenbach has been named vice president of marketing for Mead Merchants. **Craig D. Pearson** has been appointed general manager of Mead Merchant's Kansas City branch. **Dennis P. McNeal** has been appointed packaging-industrial sales manager of the Nashville area. **James L. Gardenhire** has been named the new branch manager at Mead Merchants' Birmingham, AL office. **Jerry M. Gilley** has been named vice president and general manager of the Knoxville and Chattanooga branches of Mead Merchants.

Charles White has been named the senior vice president of the Monarch Paper Company. **Ed Hunter** has been named vice president and division manager for Monarch's Houston location. **John Hampton** has been appointed manager of specification sales for Monarch's Dallas location. **Paul Bradley** has been appointed vice president and division manager of Monarch's San Antonio location. **Cecil Benner**, corporate vice president of Monarch, has retired after 21 years with the company.

Jonathan O. Bloom has been elected president of JB Papers, Inc. **Leonard Battane** has been named special accounts manager for JB Papers' New York division. **Jerry Nachbar** has been appointed director of operations in New York for JB Papers.

Philip H. O'Loane, **David S. Paxton** and **Hugh A. Ptolemy** will retire from West Coast Paper Company on December 31, 1985. Hugh, Dave and Phil have given a combined service to West Coast Paper Company and the paper distribution industry of 128 years.

John C. Whitaker has been appointed assistant to Union Camp president R.E. Cartledge on special projects.

Nancy L. Klein has been appointed manager of marketing communications for the Curtis Paper Division.

J. Fred Wallace, co-founder and chairman of the Central Paper Co., died Friday, October 18, 1985. Wallace began his career in the paper business in 1930 as a salesman for Jackson Paper Co.

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PRINTING PAPER

SALE OF PAPER PRODUCTS REPORTED BY PURCHASING AGENTS

Purchasing managers, who observe the paper industry through a quarterly survey, reported in early November that they see the paper industry "struggling" this Fall due to overcapacity, more imports, and some decline in demand. They see most buyers keeping inventories low and lead times tend to be short.

As far as specific grades are concerned, the National Association of Purchasing Management (NAPM) reported that uncoated groundwood was in plentiful supply. Shipments declined during the first half of 1985 and no new US capacity is planned.

They also said that the market for coated papers is soft. Imports have taken their toll in this area. Overall supply has been increasing during 1985.

Capacity of US mills to produce uncoated freesheet paper has increased greatly in the past 12 months. Imports of this grade have fallen but still are a factor.

BUSINESS FORMS ARE BIG BUSINESS

Nearly $6 billion worth of business forms were sold in 1984. The figures, released by the US Department of Labor and reported by the National Business Forms Association (NBFA). "When you perform some division using the US population figures," reports NBFA, "you get some interesting forms costs. For instance, the population of the United States is 237,669,000; of that number, workers total 105,005,000, and white collar workers total 57,361,000. Based on these figures, $24.98 was spent per person in 1984 on forms; $56.63 was spent per worker; and $104.32 was spent per white collar worker.

In a related note, the cost of producing the average business letter rose to $8.52. Of that, $.26 covered the cost of the materials. Actually, the cost of paper, alone, amounted to only 3%.

INDUSTRIAL PAPER

NPTA DIVISION PUBLISHES BOOK ON INDUSTRIAL SALES COMPENSATION

The Industrial Paper Division has published the results of its recent survey on the Industrial Sales Representatives' Compensation survey. The publication is the first of several new projects the division has embarked on this year.

Information on all aspects of industrial sales compensation as well as additional materials relating to this interesting topic are included in the publication which is available through NPTA at $40.00 per copy.

Francis J. Houlihan, chairman of the Division and president of the Fleetwood Paper Co. in Franklin, IL has stated that "the publication includes a gathering of many different ideas on this issue that can be as complex as it can be simple. The publication offers enough information for anyone to review their own program with new insight on how others are faring," Houlihan said. "I would highly recommend it to all searching for a better way of handling this concern."

PACKAGING REDUCES FOOD WASTE

A new report offered by the University of Arizona, prepared by Professor William L. Rathje is entitled: **Household Garbage And The Role Of Packaging**, compares the generation of residential solid waste in Mexico City with that of three U.S. cities: Tuscon, AZ; Milwaukee, WI; and Marin County, CA. Several of the findings, according to the Paperboard Packaging Council, illustrate the importance of packaging in reducing solid waste:

- U.S. households which consume considerably more processed/packaged foods, discard far less solid waste than households in Mexico City.
- Food waste in American households is about half that of Mexico City households because of the role of packaging.
- Packaging does not increase solid waste, it reduces it.

The 116-page report was commissioned by the Solid Waste Council of the Paper Industry.

NEWSLETTER ON NONWOVENS TO BEGIN

A new, bimonthly newsletter, **Nonwoven Markets and Fiber Structures Report** is being launched to cover the developments in the worldwide nonwovens industry. The first issue will be published January 10, 1986.

The newsletter will report on supplies, materials, costs, technology and the law. Also, end use markets of every variety along with industry activity from all the major nonwoven producing and consuming countries.

According to Editor Lydia W. Cain, the six-page publication is designed for the industry's decision-makers, particularly those involved in corporate management, research and development, sales and marketing, production and purchasing.

Cost of a one-year subscription(25 issues) is $259 in the U.S.($279 outside North America). For more information, contact: Lydia W. Cain, Editor, Miller Freeman Publications, 370 Lexington Avenue, New York, NY 10017.

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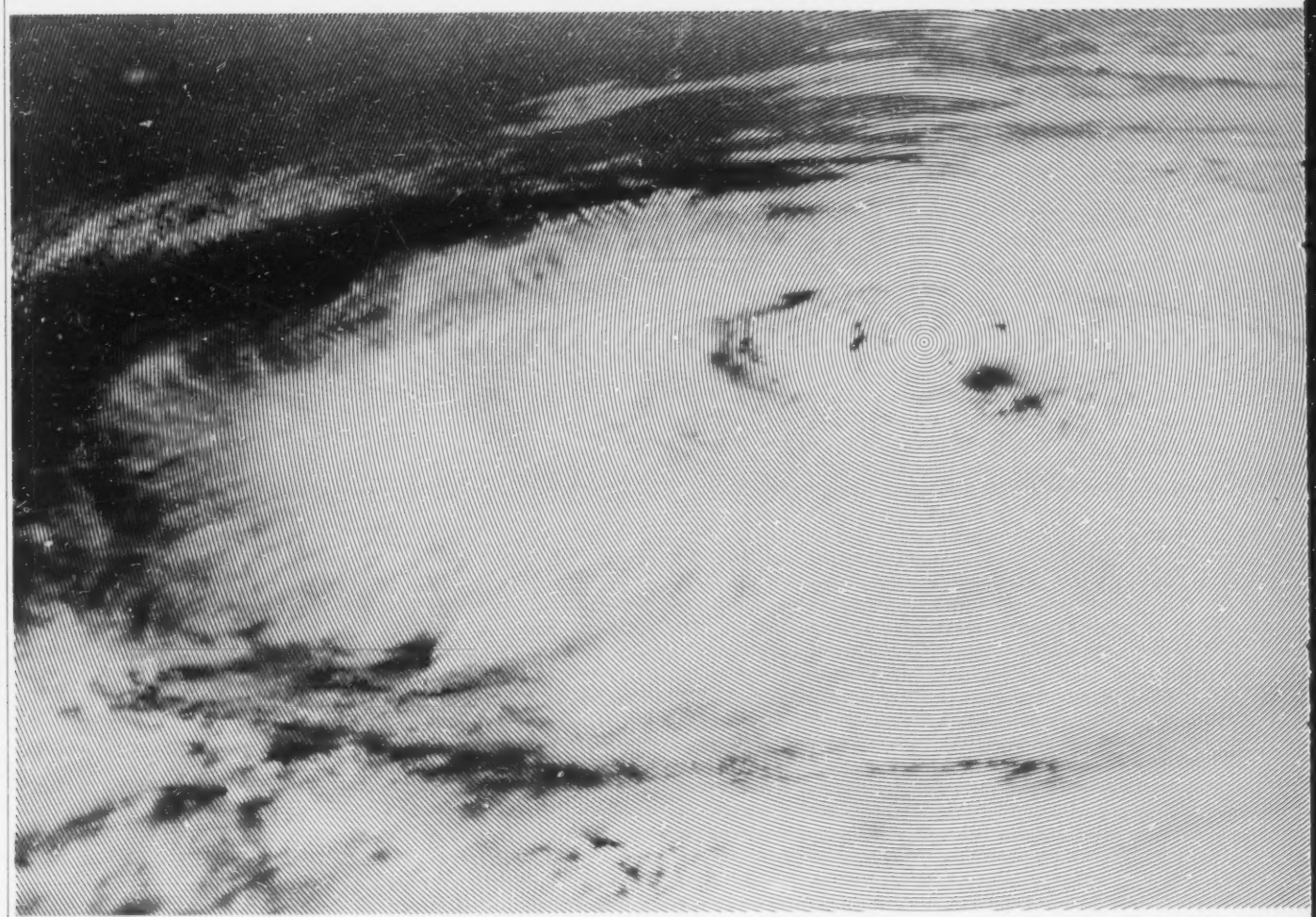


Managing Risk in the Eye of the Hurricane

It was only months ago that wholesalers first began to feel the weather change. Some sensed it earlier, but most never heard the forecast. Liability insurance rate increases were coming, policy cancellations gave the brewing storm ugly characteristics. And then, with seemingly little warning, the painful crys of wholesalers could be heard as the crashing insurance storm took its toll.

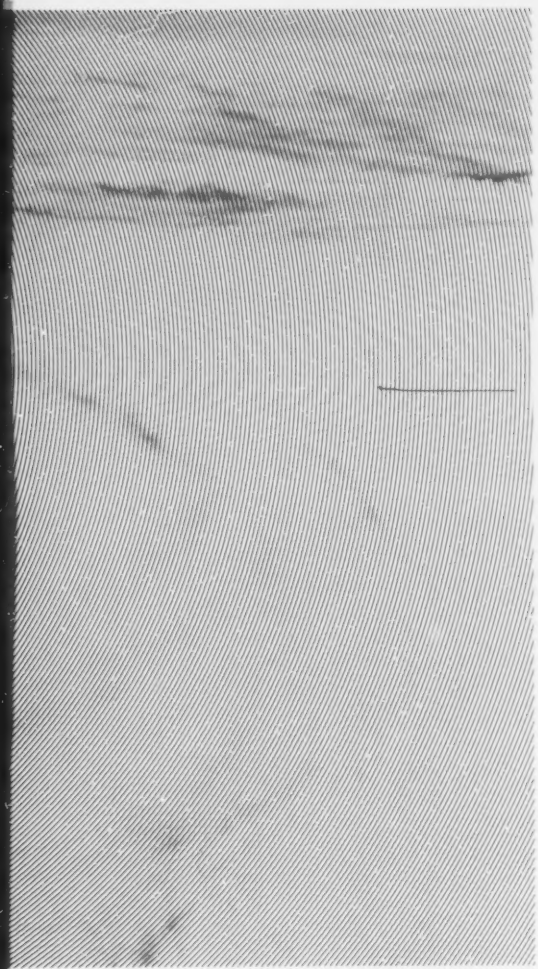
Someone asked "Why was our insurance cancelled?" An industrial merchant said "We can't explain a 300% increase in our rates." Storm clouds scatter across the sky.

"What factors have come together at this time," another asked, "that put us in this mess?" The wind is picking up.

"The storm is upon us," said Robert L. Larsen, the National Association of Wholesaler-Distributor's (NAW) insurance consultant. "It has become difficult, if not impossible, for insurance professionals to keep up to date on legal, regulatory and insurance marketplace developments.

It is no wonder that paper distributors are dangerously confused and frustrated concerning their corporate risk management responsibilities. Warning flags are late in coming for some, but all have time to act before being engulfed by the storm.

And that is the message they must hear.



Risk Retention Act

A law, passed in 1981, promised to calm the weather. The Risk Retention Act allowed groups to come together to purchase comprehensive general liability coverage, including product liability, with rates that were based on the collected experiences of the group.

It took a few years to work out the details as the insurance storm grew in size and gathered strength.

Now, wholesaler-distributors are able to pull their wagons in a circle, so to speak, and ride out the storm. NAW began to make the wholesaling industry aware of the threat in 1984. Insurance specialists hired by NAW to investigate the brewing storm revealed it to be an actual threat to corporate survival. Long-range and near-term plans were drawn up by NAW for distributors with the realization that to ignore risk management/risk transfer could prove a financial disaster for some companies.

A Change In The Weather

"Premiums are losses!" said Larsen. "An insurance premium is an amount that you trade as a hedge against an unknown or unpredictable loss that theoretically will be of much greater magnitude." Everyone always hopes that they will never need to call upon his insurance for help. "You can't beat the actuaries," he said. "Any time you're 'ahead' on insurance, you've died prematurely or your warehouse burned down. Some victory!"

Cyclical swings and uncertainties can be eliminated when an industry group is formed. Currently, 93 trade associations in wholesaling have come together under the NAW banner to form an insurance cooperative. Each member company of each of the associations has an opportunity to join the insurance program. One of the real pluses for a company is that to participate **does not require changing brokers**; any broker can write this policy, said NAW.

The program is designed for freedom of choice and counts on the help of a knowledgeable local insurance agent who can assist in making the right decisions.

The storm is upon us. It has become almost impossible to keep up with it.

The coverages and services of the program are marketed to members of NAW and its affiliated associations, such as NPTA, by agents associated with Market Dyne International, a CIGNA company. Market Dyne has a highly trained sales force of more than 250 independent agents throughout the country.

NPTA members may also ask their current agent or broker to obtain information or secure coverage for them from the Insurance Company of North America (INA), a CIGNA company that is responsible for underwriting the NAW program.

Either way, the agent selected can offer a complete insurance package, competitively priced with the realistic goal of lowering the NPTA member's insurance costs.

The Association Connection

An important advantage that associations bring to the insurance is the ability to nego-

tiate reduced acquisition (sales commissions) and administrative expenses. This encourages insurance companies to work through associations in providing better product and/or price. There is also the ever present "law-of-large-numbers" that assures a higher degree of predictability to the actuarial analysis associated with "units of exposure," "anticipated loss," and "combined claim and expense ratios." Actuaries have determined that the larger the premium base, the more accurate the prediction of loss and expense. This translates into a lower "fudge factor" since the outcome is more predictable.

Any time you're 'ahead' on insurance, you've died prematurely or your warehouse burned down.

Association plans properly conceived and efficiently implemented and administered, are able to have a greater impact on reducing losses than is possible for member firms insuring independently. For example, by developing more credible statistics within a given universe of firms, underwriters are better able to pinpoint cause of loss and communicate safety and loss prevention information to firms in that industry. There are many prominent examples of businesses, working through their trade associations, that have minimized common and recurring accidents. That is effective "loss-prevention engineering."

The insurance programs of NAW are unique because they combine the purchasing power of more than 40,000 member companies. The economies of scale that can be generated by associations acting together are much greater than can be achieved from a smaller number of firms acting within a single commodity-line association. The expense factors, loss-prevention engineering capabilities and actuarial credibility are greater in a program generating $25 million in annualized premium (as do the NAW Programs) than in one with $2 million.

Property/Liability/Workers' Compensation

There is no aspect of insurance risk that puts the paper merchant more in the center of the storm than property/liability insurance. Wide variations in coverage and pricing clouded the mind of even the keenest buyer.

The late 1970's through the mid-1980's saw the price of such business insurance plunge to an all-time low (in relative terms). Many wholesaler-distributors were paying less for property, general liability and commercial vehicle coverage in 1983 and 1984 than they were paying in the middle 1970's.

Now, that is all changed. Recently initiated price increases of 50% or more are increasingly common. For wholesaler-distributors in commodity lines involved with significant product liability and/or commercial vehicle exposures, the price increases have been staggering. Some paper distributors functioning as direct importers are suffering policy cancellation or price increases tantamount to unavailability of coverage.

Group Health Insurance

"Comprehensive, high-limit health coverage is not a luxury, not a fringe—it's an absolute necessity!" reports NAW. "Any employer that does not provide group health insurance is exposing each and every employee (and their families) to the very real possibility of financial ruin."

It only takes one accident, or perhaps one complicated illness, to incur a five-figure hospital bill.

The typical, paper wholesaler-distributor has fewer than 100 employees. As a result, insurance rates are determined by the "polled experience" of each insurance company (and to some extent, their reinsurers). Some member firms have produced favorable underwriting results year after year only to see their insurance premiums continue to rise, sometimes dramatically, since their individual loss experience never seems capable of generating a positive effect.

Unfortunately, the reverse is not true. Those firms that have substantial losses often find themselves facing staggering rate increases or outright policy cancellation. Even if these firms (individually) were able to take the peaks and valleys out of their year-to-year loss experience, they still suffer from an inability to effect expense reduction. Acquisition, administrative and claims handling expenses, pooling charges, "margin in error" and insurance company profit factors, when added together, usually leave only 60%–70% of the premium dollar to pay claims.

The NAW/NPTA plan presents a different picture. Using the collective experience of as many as 40,000 companies, Underwriters see the possibility of a multi-million dollar premium volume which will yield actuarial credibility,

the spread of the risk over a greater number and result in expense reduction to each firm in the network.

The structure of the Group Life/Health Insurance Plan is simple. Firms in the United States, large or small, can benefit. By adjusting only the deductibles and the co-insurance levels, the plan has the ability to meet the insurance needs of all.

The plan offers a series of options in the form of riders to the basic contract. These options include a variety of dental insurance plans, life insurance variables, and even includes the ability to tailor-make specific benefits for those firms choosing to meet special health care requirements of employees and their families.

One of the most important features of the NAW Program is its ability to respond to the ever-changing mandates of federal, state and local statutory and regulatory change. Each state insurance regulator has its own ideas as to health care plan design. By establishing the NAW Program as one flexible enough to respond to the applicable directives of state and federal regulators, it remains capable of insulating individual member firms from situations where they are not meeting minimum state requirements.

Also, the IRS has its say as to the tax treatment of corporate and personal fringe benefit expenditures. Various sections of the Internal Revenue Code set forth the criteria for favorable tax treatment of group life insurance and impact on the design of group health insurance. New regulations, when promulgated, are analyzed and members are advised how best to structure a program to achieve favorable tax treatment of benefits and premiums.

The plan is "fully insured" by one of the Nation's largest and best recognized insurance companies: New York Life. Rates are determined by the ages of each firm's insured employees and by geographic location. This keeps the cost fair and equitable for all participants.

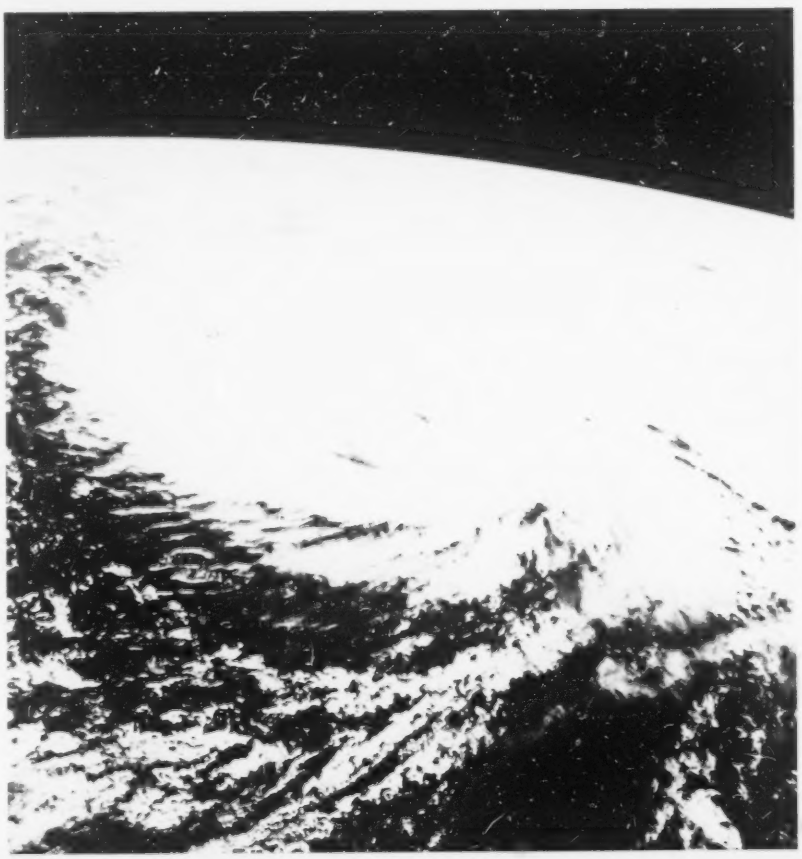
Some of the plan changes are aimed at discouraging claim abuse and/or unnecessary medical expense. For example, benefit limitations for alcoholism, drug addiction (chemical dependency) and certain treatments of mental and nervous disorders have been introduced. Second surgical opinions and, where appropriate, out-patient treatments are rewarded; non-emergency weekend hospital admissions are penalized.

Efforts are underway to provide member firms with guidance on establishing "wellness" programs for their employees and families. Empirical evidence is proving that an investment in physical fitness and employee awareness as to the importance of exercise, good eating and drinking habits, and reduced smoking and alcohol consumption is producintg $20 in savings for each dollar expended.

Disability Insurance

Of all of the personal, financial security programs that business firms should make available to their employee group, the one most likely to be missing from a corporate fringe benefit program is insurance covering the loss of income due to disability. There is no clear explanation as to why this is the case; but nevertheless, it is an established statistical fact.

It is important to note that *the possibility of becoming disabled for an extended period of time is higher than the probability of premature death.* When one considers that "economic death" can, from a financial protection standpoint, be more devastating than death itself, it is surprising that so many firms (and the vast majority of individuals) fail to insure against this potentially catastrophic loss.



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In the South call **404-951-1855** and ask for Herb Neuwirth or Wayne Neuwirth.

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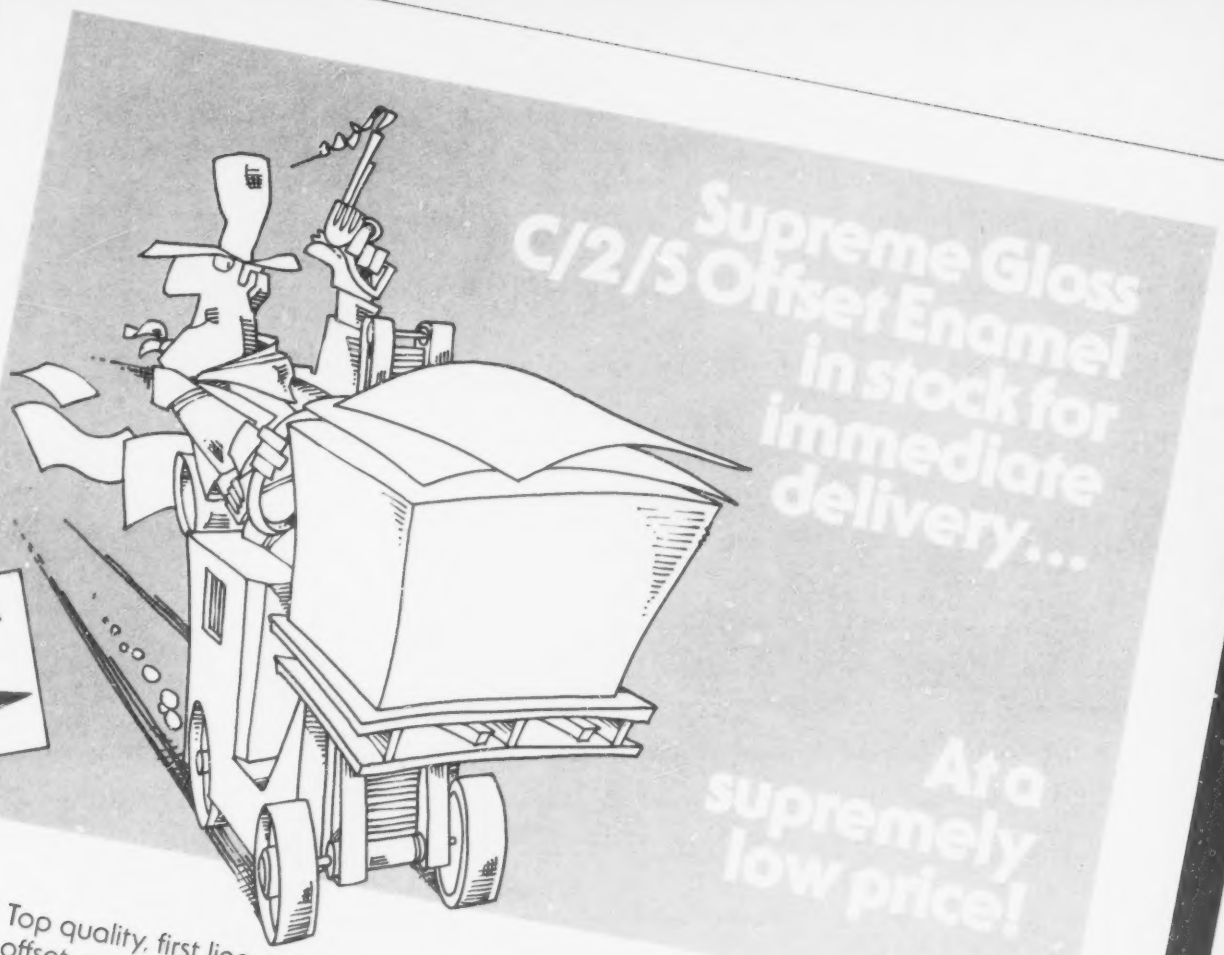

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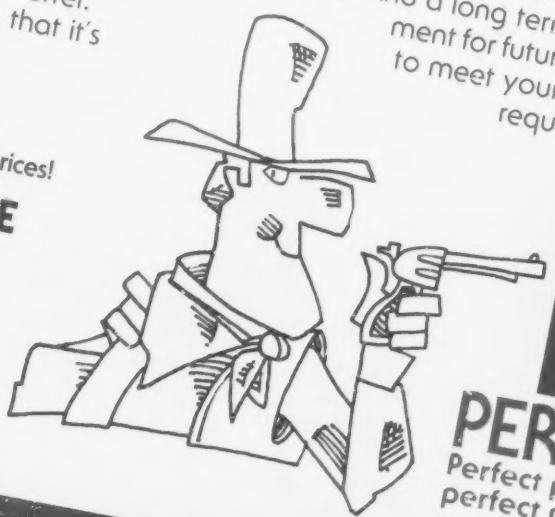


PERFECT®
Perfect paper for perfect printing.

It is the feeling of those who put together the NAW plan that every paper distributor, regardless of size, should consider insuring "income replacement" for all of its full-time employees.

Life Insurance

The life insurance industry is changing so rapidly that many insurance companies have thrown away product and rate manuals, relying, instead, on computer-generated illustrations of policy, premium, and interest projections. And, with recent tax law amendments, it's no wonder that life insurance buyers are confused!

NAW has been monitoring these developments with an eye towards negotiating a membership life insurance program that could provide rate and/or coverage advantages over similar policies available to individual members. While NAW has been successful in identifying leading-edge products (and competitive pricing), it is becoming increasingly apparent that no one policy type, or for that matter, *no one insurance company, can adequately respond to the varying needs of a majority of wholesalers.*

The life insurance industry is changing so rapidly that many insurance companies have thrown away product and rate manuals.

NAW is convinced that what is needed is a "Life Insurance Purchasing Service" capable of searching the marketplace, selecting the best from among a variety of life insurance policies (and companies) and, where possible, negotiating policy enhancements. The Insurance Administration Center can then work with individual members to identify their special needs. Equipped with a basic understanding of these needs, they can then recommend the policy and underwriting company best suited to meet those needs.

Accidental Death Coverage

Insurance against accidental death and dismemberment (AD&D) is widely recognized as an important, yet amazingly inexpensive, em-

Robert L. Larsen, Insurance Consultant, has joined the NPTA team.

ployee fringe benefit. Any employee of a member firm, regardless of age or occupation, can obtain $100,000 of coverage for less than twenty cents (20¢) per day!

In a recent year, more than 90,000 persons lost their lives in accidents. The overwhelming percentage of these were not work-related accidents; they occurred while driving, at home or on vacation.

Tragic accidents are not common. If they were, the cost of insuring against them would be considerably higher than the rates referenced above. However, unlike prolonged illness, there is no time to plan for the economic tragedy resulting from a serious accident. It's the suddenness that creates the imperative for high-limit insurance protection.

There are many and varied sources of personal accident insurance protection. Sales counters, at airports, credit card companies, riders to individual life insurance policies, even automobile insurance. Investigation confirms that none of these alternatives can compete with the plan offered by NAW/NPTA.

The Plan provides 24-hour coverage, on and off the job. It is not limited to "travel accidents." Instead, it insures against all types of accidents with only minimal exclusions (private flying, military service and war, suicide, etc). Financial planners would all agree that 24-hour coverage is a much more sensible purchase than the more limited "travel accident" plans widely marketed to individuals.

Cheryl Jansen, Insurance Consultant, has joined the NPTA team.

An Insurance Partnership

In selecting an insurer, NAW sought a different approach than what had, until then, typified association/insurance company relationships. Recognizing that what was needed was a **true partnership**, the following simple, yet in a way profound, tenets were identified as basic to an agreement with the chosen underwriter:

Competitiveness—The program must offer appropriately worded insurance coverage at realistic market prices; and

Mutual Reward—The partnership, by definition, must benefit both the underwriter and the wholesaler-distributor participants.

Long Term Perspective—The plan had to have *continuity*.

The Insurance Administration Center, located in Park Ridge, IL, is responsible for the handling of the new NAW/NPTA insurance programs. Robert L. Larsen and Cheryl Jansen are the individuals at the Center who are working with the program and are now part of the NPTA team.

The important thing to remember is that the new plan for distributors can be written by any insurance agent. (Your existing agent need not lose you as a client!)

Some Important Details of the Program

1. Comprehensive Hospital Surgical Major Medical—$100, $200, $500 deductible
2. Dental Coverage—$25, $50, $100 deductible
3. Long Term Disability—$4,000 per month maximum payout.

CHAIRMAN'S CORNER

People Benefits

This is the time of year when we look back—if only to judge how we have performed during 1985. And it is the time when we look forward with anticipation about our performance in 1986. The subject of insurance as covered in this issue of *Management News* is a timely one. The cause of our current concern about insurance—dealing with an industry which has experienced several consecutive years of underwriting losses—should help sharpen our focus and commitment to run our businesses and our industry as they should be run.

As managers we must look at the numbers and the structural side of our businesses. As managers we also take a serious look at the people side of things. As you look back, reflect upon who those few individuals are/were that have most influenced your life. As you look forward, think about those individuals whose lives you are most likely to influence. Think about how you influence them through your corporate atmosphere, your compensation and benefit programs, your training and education programs, your individual actions and by example.

As an industry, in our individual businesses, are we encouraging our people to be "whole" persons? Are we encouraging the best in each and every individual? Are we commanding performance for its own sake or are we encouraging performance as one of the joys of running the business with a focus on the human side of enterprise?

We are part of a great industry. How we contribute to the ongoing strength of our industry and our individual businesses is directly dependent upon how we help our people develop.

Richard W. Abrams
NPTA Chairman

All that the paper merchant need do is complete the data collection form in this issue of Management News *and forward it to the Insurance Administration Center, to be armed with the most current information available on insurance. This helps avoid a flood of untimely insurance promotional mailings. There is no obligation.*

SURVEY FORM

By providing the data requested below, you will assure that current information on the Wholesaler-Distributor Insurance Program reaches you precisely at the time insurance expenditures are on your managerial agenda. It is not critical that you answer every question, however, the more information you provide, the better equipped we are to serve you. Please return this Insurance Survey to:

Insurance Administration Center ☐ 1480 Renaissance Drive ☐ Park Ridge, Illinois 60068

—Please Type or Print—

Firm Name _____

Address _____

City/State/Zip _____

Attn: _____ Phone #( )

Name of Commodity Line Association _____

Fed. Tax. ID# _____ / _____ Fiscal Year End _____ (Month) Number of Employees: _____

.....EMPLOYEE BENEFITS.....

Please provide name of insurance company (if "none", or "self-insured", so indicate) as well as policy anniversary date or date of last rate change.

Health _____

Life _____

Disability _____

Accident (AD&D) _____

It would be very helpful if you include a copy of the employee booklet(s) and a copy of your most recent premium statement(s)!

.....BUSINESS INSURANCE — PROPERTY/LIABILITY/AUTO/WORKERS COMP.....

Please provide name of insurance company and expiration date of each policy. If you find it difficult to extract this basic information (and you probably will) have someone photostat the face page or "declaration" page of each policy (i.e., package, workers compensation, umbrella, etc.) and send those copies along with this survey. We will then extract the timing information for you.

Package (Property/Liability) _____

Commercial Vehicle _____

Workers Comp. _____

Umbrella _____

.....MISCELLANEOUS INFORMATION.....

Do you maintain company-owned Key Man Life Insurance ☐ Yes ☐ No

Would you be interested in attending a local or regional seminar on "Controlling Corporate Insurance Expense"? ☐ Yes ☐ No

If you have comments, questions or recommendations as to how your association can better assist your firm in controlling rising insurance expense, please include them on the reverse.

John F. Church, Jr. chairman of the PAPER Foundation.

Foundation Nears Research Chair Goal of $1 Million

85% of the funds needed to endow a research chair in paper wholesaling has been collected by the Paper And Plastics Education Research (PAPER) Foundation. Additional effort is needed to push the project over the top.

Fund raising for the Endowed Chair program is in high gear, reported PAPER Foundation chairman John F. Church, Jr. His fund raising committee has been knocking on industry doors with much success in 1985. "We certainly have many people to thank for their support," Church said. "And I would like to point out that the leaders of our industry have shown through their donations that they are concerned about the future."

That is the message that the fund raising committee is telling paper distributors around the country. Making plans for the future is in everyone's best interest. When it comes to the life-blood of the paper distributor's business, it is essential to understand how the business is changing.

Research like this is required for a number of important reasons. Paper and allied product distribution is undergoing major change. Technological developments in electronics and physical distribution are affecting all merchants. In addition, general economic and product trends, governmental edicts and changing human resources are altering the future of the industry.

The Foundation's research chair program is designed to investigate these and other areas of interest to distributors.

The Endowed Chair Program

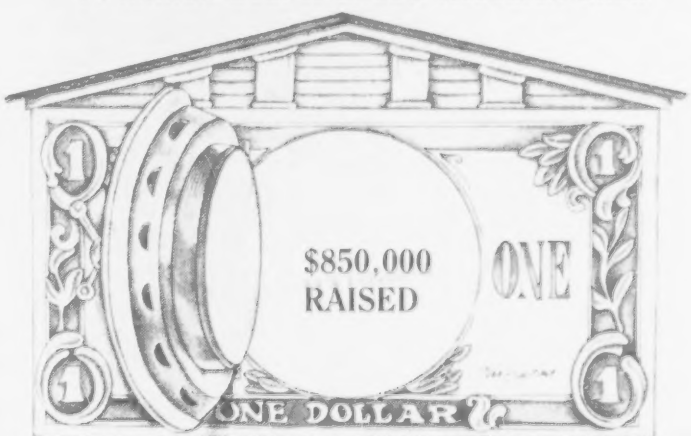
Endowing a research chair at a major university is costly. It requires a $1 million investment that need be paid only once. As an endowment, that $1 million will generate enough money each year to pay for the ongoing research.

The institution of higher education selected is the University of North Florida in Jacksonville. They are well-suited to house the PAPER Foundation program and will contribute office space and support staff.

The work of the Endowed Chair will be directed by the Board of Trustees of the PAPER Foundation. Together with the eminent scholar selected to fill the research chair and the university, specific projects will be conducted and all products of that work will be shared with the members of the Foundation.

Continued on page 24

$1 Million Goal to Endow Research Chair



Merchant Commodity Line, Customer Trends

Each year, a substantial number of paper merchants participating in NPTA's annual PAR (Performance Analysis Report) survey fill out the optional section of the questionnaire dealing with sales by commodity and customer class. From the results, total sales are broken down to percents accounted for by sales of various grades of printing and writing, industrial and personal service papers. This is also done for sales mix by type of customer merchants sell.

Following is a four-year analysis of these PAR statistics and their relation to overall trends in the general economy.

Printing Paper

Table 1 illustrates the major grades of printing paper sold by merchants and their shares of total sales. Nearly 35% of a typical merchants' sales are in coated papers. Uncoated book grades account for 24% and bond and writing papers contributed another 17%. These percentages have held fairly steady over the past 3–4 years. Bleached bristol papers have been declining steadily in relative importance, accounting for 3.7% of printing paper houses' sales in 1984. Total "business papers and commercial printing paper grades" typically account for about 57% of total printing paper merchant sales.

Table 2 presents a four year trend of sales by end-user customer. Commercial printers are the largest customer segment and their share of total merchant sales has been rising steadily since 1981 (to 58.3% in 1984). In-plant printers account for another 11.7%. This rising percentage of commercial printing sales parallels trends in the overall economy. Areas such as magazine printing, direct mail advertising, catalogs, newspaper coupons and inserts have been extremely healthy over the past several years. Also, the rising number of new business formations and entrepreneurs stimulates demand for business cards, letterhead, envelopes, brochures, etc. The U.S. Department of Commerce reported that in 1982 there were 28,196 total commercial printers operating nationwide.

There has been a slight uptrend in percent of sales to quick-copy shops (6.2% in 1984). These establishments are also increasing in number. The National Association of Quick Printers in Chicago reported in their 1982 survey of independents and franchises that 12–14,000 shops were operating that year. Growth of 15% was expected for 1983, but saturation was forecast by 1985–86, at a level of 18,000 shops.

Business office buyers and business forms manufacturers segments are two areas where future growth can be expected, while the share accounted for by book publishers has been on the decline since 1981. A dominant company in this business, Moore Business Forms, feels that the industry will grow 4–5% over the next five years, and that, contrary to some predictions, paper use in offices will *increase* rather than decrease due to the proliferation of small computers. According to the Commerce Department, there were 730 "manifold business form" establishments in 1982 and 2,591 in "book publishing and printing."

1. PRINTING PAPER

Percent of Merchants' Sales By Product
(Annual PAR Results—All Firms Mean Avg.)

Commodity	Percent of Total Sales			
	1981	1982	1983	1984
—Bleached Bristol	5.8	4.1	3.7	3.7
Commercial Printing, Business Office Buyers Grades				
—Cotton Fiber Papers	2.8	1.9	2.0	1.9
—Coated Papers(1)	30.3	36.6	36.6	34.7
—Bond and Writing Papers(2)	NA	16.1	14.3	17.2
—Mimeograph	NA	0.8	0.6	0.8
—Duplicating	NA	2.0	2.3	2.3
Subtotal:	—	57.4	55.8	56.9
Book Publishing, Quick Copier, Business Form Mfg. Grades				
—Text and Cover	NA	5.4	6.3	6.3
—Uncoated Book(3)	24.6	23.0	25.0	24.3
Subtotal:	24.6	28.4	31.3	30.6
Miscellaneous: Thin Papers, Chemical Wood, Kraft Envelope, Other	16.1	17.3	9.9	10.3

(1) Includes: free sheet coated 2-side, groundwood coated 2-side.
(2) Includes: in cut sizes, rolls, form bond.
(3) Includes: in rolls, sheets, cut sizes, groundwood uncoated
NA—Comparable data not available.
Source: National Paper Trade Association, inc.

Industrial Paper

Table 3 presents seven major types of industrial paper goods sold by industrial merchants. The largest share, 46%, is accounted for by industrial packaging supplies and equipment sold to manufacturers. The area of greatest growth has occurred in food service disposables, from 11% of total sales in 1981 to 19% by 1984. This is no doubt a consequence of consumers eating more meals away from home, at fast-food establishments. As an indication of the size of this market, the Commerce Department reported 241,772 "eating places" and 57,874 "drinking places" operating nationwide during 1982. These figures include the fast-food establishments. The total represents nearly 300,000 opportunities to sell food service disposables.

Janitorial supplies is another growth area, with its share of merchants' sales rising from 7.4% in 1981 to 10% by 1984. Sanitary papers/personal service disposables is another large segment, about 18.5% of total sales. This percentage has remained fairly constant.

Table 4 presents the customer class breakdown of sales for industrial merchants. The biggest share is sales made to industrial manufacturers—34%. The second largest customer is the retailer (other than food/drink establishments). This area accounts for about 18% of total customer sales and has held steady since 1982. Sales to fast food outlets is on the rise, to 5% of the total in 1984, while sales to health care institutions dropped from 11% to 7.3% between 1982 and 1984.

With the growth in fast food chains, sales to fast food outlets should continue to rise in the future. Also, with the aging U.S. population, health care needs should increase as well, spurring sales of paper goods to these facilities. The Commerce Department reported the following 1982 data for the number of health care establishments:

Physicians' Offices	167,882
Dentists' Offices	92,584
Hospitals	5,462
Medical/Dental Labs	11,684
Nursing/Personal Care Facilities	14,182
Outpatient Care Facilities	10,028

2. PRINTING PAPER

Percent of Merchants' Sales By Type Customer
(Annual PAR Results—All Firms Mean Avg.)

Customer	Percent of Total Sales*			
	1981	1982	1983	1984
Commercial Printers	54.6	55.9	56.9	58.3
In-Plant Printers	12.8	11.1	11.2	11.7
Quick Copiers	6.1	5.7	5.9	6.2
Business Forms Mfrs.	3.7	6.0	6.5	5.2
Business Office Buyers	3.4	1.5	2.6	2.9
Book Publishers	10.5	6.0	5.7	4.3
Government Agencies	5.3	5.4	5.5	6.1
Miscellaneous	3.8	6.8	5.4	5.1

*Totals may not add to exactly 100% due to rounding.
Source: National Paper Trade Association, inc.

3. INDUSTRIAL PAPER

Percent of Merchants' Sales By Product
(Annual PAR Results—All Firms Mean Avg.)

Commodity	Percent of Total Sales			
	1981	1982	1983	1984
Sanitary Papers & Personal Service Disposables	17.0	18.7	18.4	18.6
Food Service Disposables	11.3	13.1	15.1	19.0
Health Care Disposables	2.1	4.0	4.1	4.0
Industrial Packaging Supplies*	52.5	48.7	41.6	46.2
Janitorial Supplies	7.4	7.9	8.2	10.1
Retail/Matched Packaging	3.7	7.2	6.7	6.0
Miscellaneous	5.9	9.6	10.1	5.0

*Includes: Protective packaging, shipping boxes, tapes, other industrial packaging supplies.
Source: National Paper Trade Association, inc.

4. INDUSTRIAL PAPER

Percent of Merchants' Sales By Type Customer
(Annual PAR Results—All Firms Mean Avg.)

Customer	Percent of Total Sales*			
	1981	1982	1983	1984
Food & Food Service	7.2	7.7	8.5	7.0
Fast Food Outlets	2.3	4.0	4.9	5.0
Health Care Institutions	7.3	11.1	10.3	7.3
Industrial Mfrs.	53.6	32.1	29.9	34.1
Public Institutions	5.6	7.9	8.6	6.5
Other Retail Businesses	10.2	17.8	17.8	17.9
Other Service Industries	6.0	5.3	6.4	5.5
Miscellaneous	7.9	14.1	13.8	16.7

*Totals may not add to exactly 100% due to rounding.
Source: National Paper Trade Association, inc.

The Manager's Role as an Effective Listener

Is listening a skill that can be learned? "Absolutely," said Bruce H. Linden NPTA's Director of Education and Training. "We usually think of a good communicator as someone who is a good speaker. But that's only half of it. A good communicator, good manager or good sales representative is also someone who has good listening skills."

The CEO of the Regional Paper Corporation faced a dilemma all merchants face at one time or another. Sales and earnings for his current quarter lagged below the projections. And, when he called in his sales and marketing VPs to discuss the problem, they disagreed.

The marketing VP maintained that performance was down due to poor coordination between sales and marketing. He recommended the company let the current quarter take its course, while the firm's sales force was called in from the field and instructed in overall marketing objectives. Meanwhile, the sales VP claimed that a quick promotion would turn weak quarterly figures around.

Neither VP actually heard the statements of his colleague, instead they argued from their own points of view. Finally, the CEO began "translating" what each man was saying to the other, as if one were speaking French, the other German. From this, a plan emerged that eventually improved quarterly figures and resulted in long-term coordination between sales and marketing.

This example from Regional Paper points out that communication is a two-way process and that the speaker has just as much responsibility for the communication process as the listener.

Salespeople As Effective Listeners

The degree of skill a sales representative applies at the listening end of a conversation with a prospect or customer will determine: 1. The level of understanding he or she is able to attain from responses regarding the buyer's needs; 2. The accuracy with which he or she is able to gauge the buyer's reaction to the product or company.

Good Listening Makes Business Sense

Everyone, from high level managers to sales reps, spend more than 70% of their day listening. Anyone who supervises or sells depends upon comprehending the spoken word. In fact, the ability to listen effectively can contribute to improved work performance, morale and, ultimately, higher profits.

Unfortunately, experts claim that people forget more than two-thirds of a spoken message and that the loss occurs rapidly, much of it within minutes. On the average, people listen at about a 25% level of efficiency.

-Have the two VPs of sales and marketing actually taken in all the CEO has said about the marketing strategy of a new product line?

-Will the sales manager's background information on a line of new items be translated into the sales rep's dialogue with his customer?

-Has the sales rep effectively listened to and understood the customer's needs?

If people really do only listen at a 25% level of efficiency, the odds are quite high that the VPs, sales manager and sales rep in the cases described above heard only what they wanted to hear.

The Speaker Has A Role Too

There are times when the speaker finds his listener has tuned him out and it is not practical to say, "Jack! Wake up!" What can be done? How a person speaks affects how others listen to him. Certain rules can be followed.

1-PREPARATION: A speaker should adjust his message to the listener's wavelength. The message should reflect the audience's interests, concerns and language.

Listeners can be divided into four categories: *Sensors* are people who want to talk in the here-and-now. *Thinkers* want to know how things fit together. *Feelers* want to understand how people will be affected. And, *conceptualizers* like to toss around abstractions.

Classifying listeners in this way can help a speaker pitch his message accordingly.

2-EXECUTION: Besides preparation there are a number of devices that give a message added impact.

- A good speaker prepares the listener for his message, delivers it, then repeats it.

Everyone, from high level managers to sales reps spend more than 70% of their day listening.

- Messages wrapped in a story keep listeners "tuned in to find out what happens next."
- When a speaker knows why he is speaking, organizing his story is much easier.
- Generalizations, abstractions and jargon get in the way of a listener. A good speaker guides his listener around these obstacles with clear details.
- Repetition is boring, a good story keeps moving.
- Conclusions should always come last.
- Listeners do not want to be lectured to, patronized, belittled, satirized or depressed.
- An interesting speaker does not drone on and on. He speaks softly, then loudly; fast, then slow.
- Establish eye contact, but remember, listeners want to be seen not stared down.

3-FOLLOW-UP: The effective speaker should test his listeners as he goes along to make sure they are taking in as much as possible. This is done by asking questions and observing the listener's behavior.

Keys To Effective Listening

A few key points should be followed by any listener.

1-If the speaker and the listener are going down different roads, there is no way they can meet. Ignoring the speaker's point of reference is the surest way to turn him off.

2-The effective listener gives the speaker a feeling of importance, as if nothing matters except his message.

3-Most importantly, a listener should know when to be silent. Several sales situations illustrate this point: When the buyer appears skeptical, a sales rep should listen and find out why the buyer is skeptical. When the buyer has a problem or his needs have not been fully explained, the smart sales rep will listen to what the buyer is saying.

4-Avoid the major listening pitfalls. Do not: decide in advance that the speaker is not worth listening to, evaluate the speaker's gestures and facial expressions, listen to a speaker with a preconceived notion or bias and let your mind wander from the speaker's message.

Listen To This! NPTA Is Listening

Here's an opportunity to see how better listening skills can help improve productivity on the job. In only four hours, NPTA's highly acclaimed *Strategies For Effective Listening (SEL)* program, by Xerox can make a better listener out of anyone.

SEL demonstrates listening as part of a two-way, dynamic communication process—the listener interacts with the person who is speaking in order to better understand and respond to what is being said.

The SEL approach shows participants how to mentally organize spoken information in order to gain the critical content of any message. Also, it teaches how to minimize or eliminate the effects of such common listening barriers as noise, accents, bias and fatigue. It trains listeners to know how and when to clarify or confirm the content of spoken information.

SEL is easy to administer within an organization to groups ranging from 5 to 25 participants. It is designed in separate units for flexibility. At a cost of under $25 per person, the four hours of learning can be spread over the course of several days. It does turn people into effective listeners.

To find out how to embark on an SEL program, contact Bruce H. Linden, NPTA director of education at 516-829-3070.

YEF

YEF Meets At The Annual NPTA Convention

The Young Executives Forum of the NPTA was proud to open the 1985 Convention with guest speaker Jack Carew. This 2 1/2 hour presentation, "Winning With People," was very motivating.

Mr. Carew focused our energies to the understanding of valuable human relationships through team networking. Our attention was then channeled on the practical experiences of stress and anger and how to cope with these behavorial characteristics.

The presentation flowed into creative skills aimed at closing the management-employee gap. Working with a bonding process of listening, acknowledgement, exploring, and responding; undirected or misdirected time may be converted to a cohesive framework of productivity.

Mr. Carew then led an interesting discussion, covering the ability to obtain results through environmental and psychological needs. All participants who were present during this informative presentation would agree that Mr. Carew has a charismatic talent for capturing the audience's attention.

The Young Executives Forum then hosted a luncheon for members at the New York Hilton. This was an excellent opportunity to meet and reacquaint one another with fellow colleagues from around the country.

There was a brief discussion after the luncheon in which Mr. Carew presented us with definitions of sales responsibilities in the market place. This was followed by a short question and answer period.

In conclusion, we found that Mr. Carew's presentation, "Winning With People," gave us many tools for bringing creative skills and growth into our management teams. It was a pleasure to participate with the many fine professionals that make the Young Executive's Forum a progessive, successful organization.

by Linda L. Hartinger
Anchor Paper Company
St. Paul, MN

Direct Benefits to the Industry

Everyone in the paper and allied products distribution industry will be affected by the research conducted by the Endowed Chair program. For example, it is anticipated that the implementation of the research results will improve the efficiency of an individual company and the industry at large. Company executives will be in a better position to anticipate change instead of just reacting to it. Greater professionalism and sophistication will certainly be a by-product.

Contribution Needed Now

In order to finalize arrangements for the Endowed Chair program, $150,000 still remains to be donated by the paper distribution industry. "We've come a long way," said John J. Buckley, Jr., president of NPTA, "but we're not home yet. Pledges of $1,000 and more are needed now to make our goal."

The fund raising committee invites all to send their donations today to support this necessary industry program to: John F. Church, Jr., chairman, PAPER Foundation, 111 Great Neck Road, Great Neck, NY 11021. Make checks payable to the "PAPER Foundation." Incorporate this investment in the future of the industry in your year-end tax planning. All contributions are tax deductible.

Pledge Categories

Founder's Club	$30,000
Benefactor	$20,000
Patron	$10,000
Sponsor	$5,000
Contributor	$1,000

Special Thanks to Founders Club Members

Champion International, Stamford, CT
Crown Zellerbach Corp., San Francisco, CA
Hammermill Foundation, Erie, PA
Kirk Paper Co., Los Angeles, CA
Sunclipse Inc., Montebello, CA
Unijax Inc., Jacksonville, FL
Paper Corp. of America, Valley Forge, PA

Financial Supporters of the Endowed Chair Program

Affiliated Paper Companies, Tuscaloosa, AL
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Clampitt Paper Co., Dallas, TX
Crown Zellerbach Corp., San Francisco, CA
Direct Packaging Co., Hewlett, NY
Dixon Paper Co., Denver, CO
The Dowd Co., Woburn, MA
Duluth Paper Co., Duluth, MN
Fargo Paper Co., Fargo, ND
Fleetwood Paper Co., Franklin Park, IL
Grayco Products, Westbury, NY
Hammermill Foundation, Erie, PA
Hudson Valley Paper Co., Albany, NY
I Supply Co., Springfield, OH
Inter-City Papers, Ltd., Montreal, Quebec
Industrial Wiper & Supply, Chelsea, MA
Inlander-Steindler Paper Co., Elk Grove Village, IL
Jackson Paper Co., Jackson, MS
Keldon Paper Co., Los Angeles, CA
Kirk Paper Co., Los Angeles, CA
Leslie Paper Co., Minneapolis, MN
Mac Papers Inc., Jacksonville, FL
Monumental Paper Co., Baltimore, MD
D. F. Munroe Co., N. Wilmington, MA
National Paper Co. of Neb., Omaha, NE
Nekoosa Papers Inc., Port Edwards, WI
Nogg Bros. Paper Co., Omaha, NE
Ohio & Michigan Paper Co., Toledo, OH
Paper Corp. of America, Valley Forge, PA
Paper & Plastics Inc., Oxnard, CA
Frank Parsons Paper Co., Landover, MD
Piedmont National, Atlanta, GA
Pollock Paper Distributors, Dallas, TX
Ris Paper, Garden City, NY
Rotary Manifold, Schiller Park, IL
Russell Field Paper Co., Bellwood, IL
Schilling Paper Co., LaCrosse, WI
Seaman Patrick Paper Co., Detroit, MI
Shaughnessy-Kniep-Hawe Paper Co., St. Louis, MO
Snyder Paper Co., Hickory, NC
Chas. G. Stott & Co., Washington, D.C.
Sunclipse Inc., Montebello, CA
Unijax Inc., Jacksonville, FL
Union Paper Co., Clarkston, WA
Weiss Bros., Hagerstown, MD
West Coast Paper Co., Seattle, WA
Williamsport Paper Co., Williamsport, PA

Personal Pledges

Prentiss Cole, Fargo, ND
Lionel Eltis, Bossier City, LA
Herb Ginsberg, Westbury, NY
Hamel Hartinger, St. Paul, MN
Paul Hirsch, Bayonne, NJ
Fran Houlihan, Franklin Park, IL
George Jewett, Cincinnati, OH
Walter Moore, Jacksonville, FL
Frank Viegas, Woburn, MA

PAPER MERCHANT SALES REPORT

NPTA Region	Sales Per Selling Day October 1985 - Compared To - October 1984	Sales Per Selling Day October 1985 - Compared To - September 1985	Sales Per Selling Day 1985 Year-to-Date - Compared To - 1984 Year-to-Date	Days Outstanding (Accounts and Notes) At Close of October 1984	Days Outstanding (Accounts and Notes) At Close of October 1985	Calendar Day Cost* of Ending September Inventory 1984	Calendar Day Cost* of Ending September Inventory 1985
INDUSTRIAL							
1	+ 3.9	+ 7.1	+ 5.9	43	41	—	58
2	− 2.6	− 3.5	− 1.4	36	36	50	50
3	+ 3.4	+ 5.1	2.6	36	40	59	67
4	2.2	3.9	1.4	38	37	58	52
5	+ 3.5	5.9	+ 5.4	35	33	54	54
6	1.5	6.5		40	42	—	—
7	0.7	2.0	3.4	41	37	50	54
NY	+ 12.6	+ 4.3	+ 10.0	47	49	—	—
Chicago	+ 5.7	3.7		35	39	—	—
LA	5.8	0.3		49	48	54	—
US	+ 0.3	− 1.7	+ 0.1	39	39	54	55
PRINTING							
1	4.8	0.9	+ 4.5	51	53	—	—
2	1.5	5.1	+ 3.3	45	45	60	60
3	+ 5.2	0.4	+ 6.5	43	44	72	81
4	3.7	1.0	+ 5.1	39	48	65	65
5	+ 4.6	1.4	+ 0.7	44	45	73	70
6	4.8	5.2		41	42	—	63
7	4.0	8.0	1.4	42	40	66	76
NY	+ 3.5	9.9	− 0.3	41	40	—	—
Chicago	2.2	4.8	5.3	42	44	—	—
LA	5.3	+ 4.4	+ 3.5	46	44	78	75
US	− 1.0	− 3.6	+ 2.1	44	44	69	69

*To calculate monthly inventory turnover, divide 365 calendar days by # of calendar days cost, e.g., 365 73 = 5.00x.
— Insufficient data to calculate valid number.

Region 1: CT, ME, MA, NH, RI & VT
Region 2: DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3: AL, FL, GA, NC, SC, TN & VA
Region 4: IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5: CO, IA, KS, MN, MT, NE, ND, SD, WY
Region 6: AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7: AR, LA, MS, OK & TX
NY Metro: NY: New York City, Long Island and Westchester Co. NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union
Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos. IN: Lake Co.
LA Metro: Cities: Los Angeles, and San Diego. Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days
The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

PAPER MERCHANT SALES REPORT

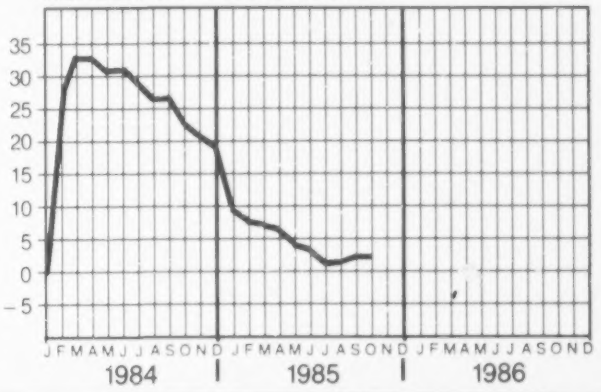
SUMMARY NATIONAL TREND INFORMATION: 1984 TO PRESENT

SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY

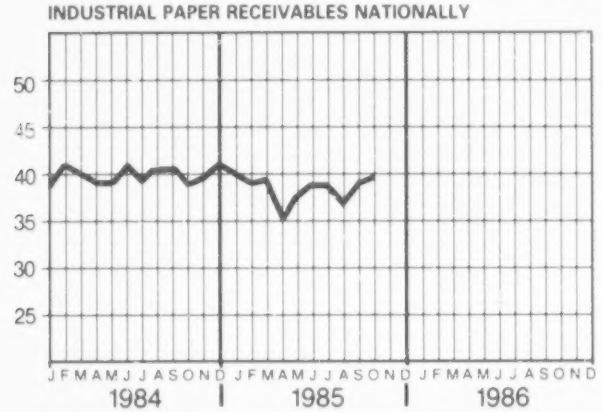
PRINTING PAPER SALES NATIONALLY



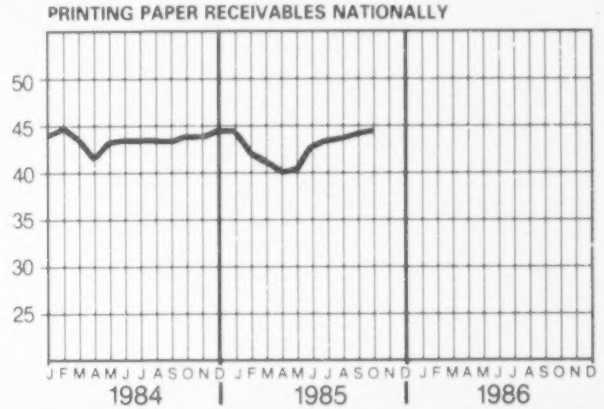
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



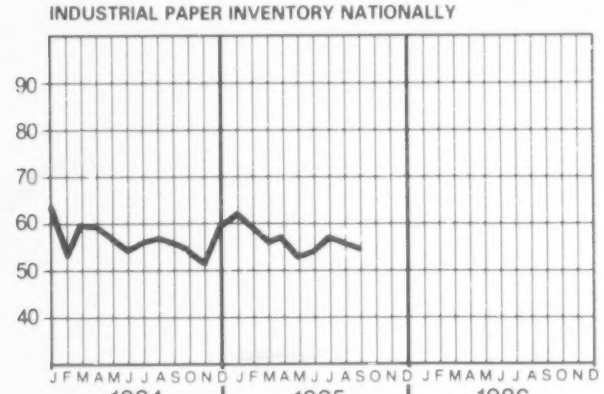
PRINTING PAPER RECEIVABLES NATIONALLY



INVENTORY INFORMATION

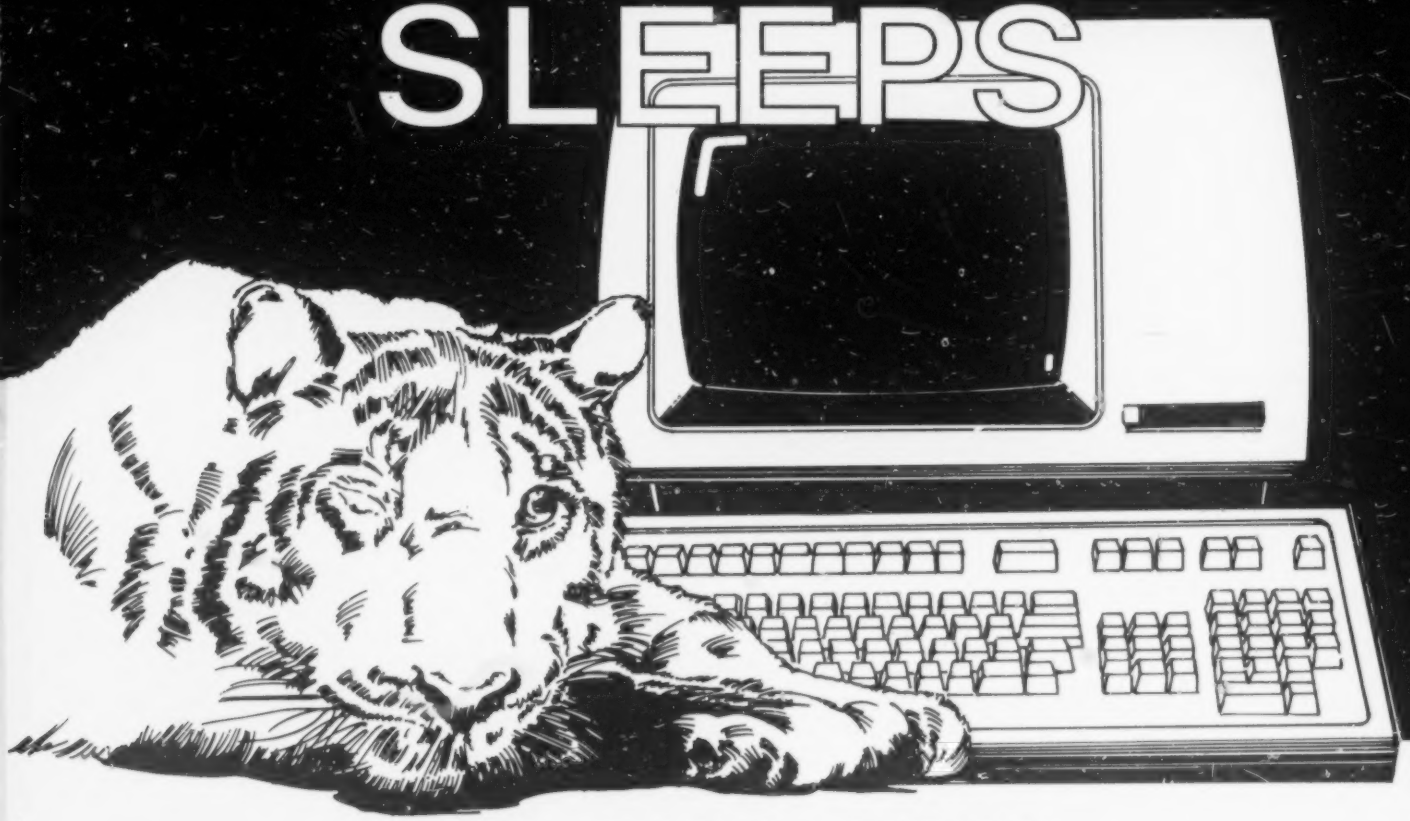
CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY

THE TIGER NEVER SLEEPS



CPI's PAPER TIGER

A CUSTOM SOFTWARE PACKAGE DESIGNED FOR THE PAPER MERCHANT

Paper Tiger is the result of thousands of hours of research into the specific operational requirements of the paper merchant. We first studied and addressed the unique inventory, cost, purchase, substitution and ***SALES/SERVICE*** data critical to the industry. Only then did ***CPI*** begin work on the software design we call ***Paper Tiger.***

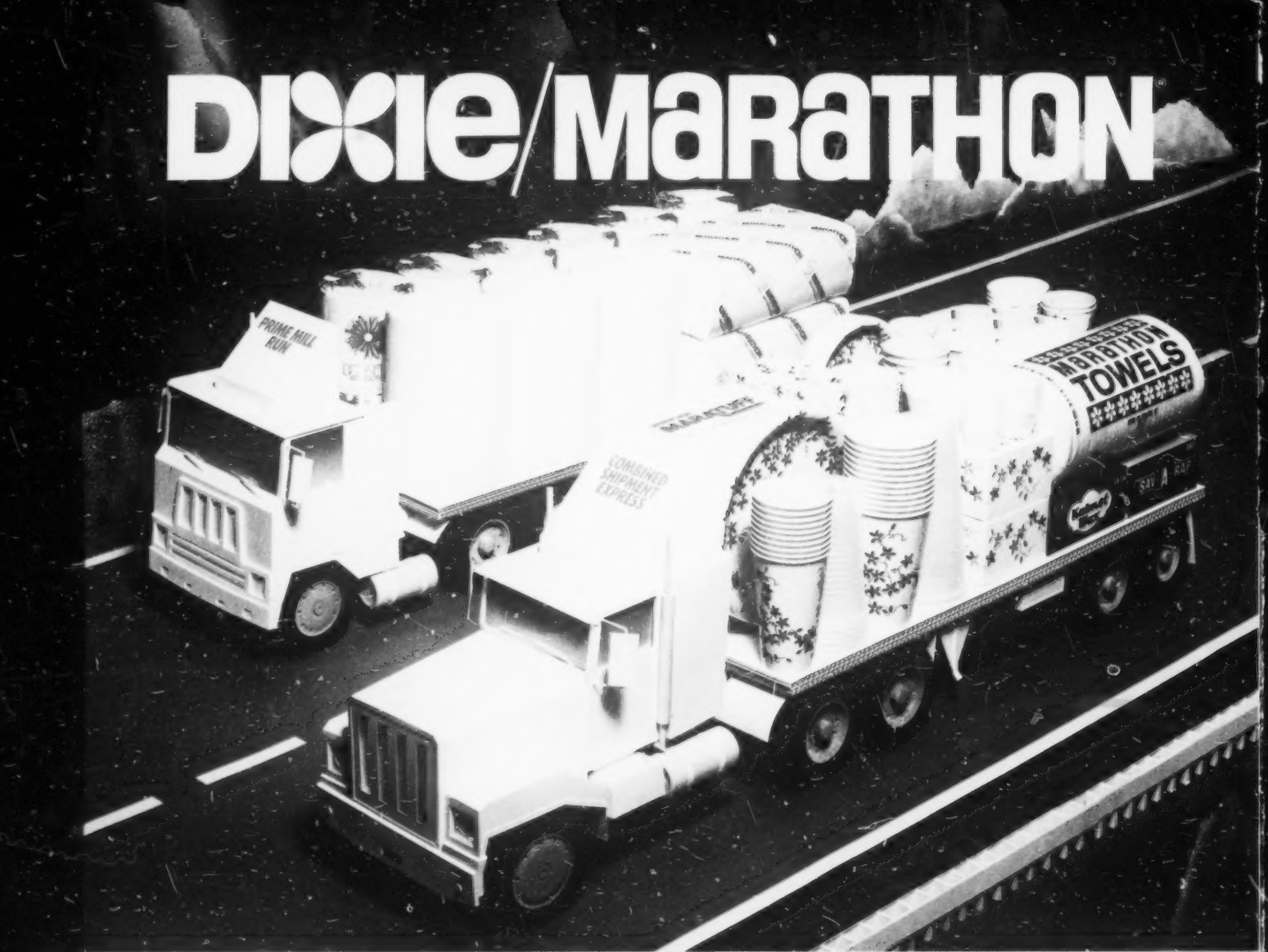
The result? Stated simply, ***Paper Tiger WORKS.*** It's the ***COMPLETE*** system for the paper merchant. It gives you instant access to accurate, timely data that helps provide your customers with better service. As a result you sell more product, operate more efficiently and are more profitable.

If you think that these are pretty tough claims, you're right. But ***CPI*** and ***Paper Tiger*** deliver on every one of them—and more.

So, why not give us a call. We'll send you, with no obligation, an information package that details how ***Paper Tiger*** can improve your business. And you'll be taking the first step towards better sales, service and profits, plus one more extra we didn't mention—peace of mind.

CPI, Inc.
Route 34 & Artisan Way, Post Office Box 188
Colts Neck, NJ 07722
1-201-462-8900

Dixie/Marathon



OUR FLEXIBLE SHIPPING SYSTEM DELIVERS MORE PROFIT.

With Dixie/Marathon, you can pick and choose the way you want product delivered. Whatever helps you turn your inventory most profitably.

Would a mixed order of foodservice and sanitary items give you faster turns? OK. We'll send it all at once from a combined shipment center.

Or maybe a large shipment, straight from the mill, would save you more.

Either way, we have a remarkable record for accurate, on-time delivery. And you have the industry's broadest line of disposables to choose from.

What you want, where you want it, all at once: Nobody works harder to help you turn your inventory more profitably. See your Dixie/Marathon representative for details.

JAMES RIVER CORPORATION
DIXIE/MARATHON® PRODUCTS